as much money as you want. We don't ask you whether you have found out anything at all because it is something which cannot be really made to order. R & D is something which has its own flavour, its own characteristic and we have to be conscious of it. So far as the Government is concerned, naturally, we have all the controls, we have all the questions, we have all the answers and whatever we have in Government, we have.

*143. [*The questioners (Shri Ramendra Kumar Yadav 'Ravi' and Shri Ram Gopal Yadav) were absent. For answer, vide col.... infra*]

Public sector undertakings for Defence purposes

*144. SHRI GHUFRAN AZAM : Will the Minister of DEFENCE be pleased to state :

(a) whether it has been directed to procure defence needs from available resources of the Pubilc Sector Undertakings of the Central Government;

(b) whether it is a fact that in spite of earlier Government's decision to utilise installed capacities of certain Public Sector Undertakings for defence purposes, the same has not been done so far; and

(c) if so, the reasons therefor; and steps proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MALLIKARJUN) : (a) to (c) It has been the policy of the Government and also the consistent practice to make procurements for the defence forces, as far as possible, from sources within the country in public and private sectors. Imports are resorted to only when the commodities required are not available from indigenous sources. If some capacities in defence public sector undertakings or ordnance factories remain underutilised that is due to (a) limitation of funds and (b) some excess capacities having been deliberately created to respond to surge requirements in emergencies. The Government has now been taking steps to maximise capacity utilisation in its defence production units by catering to demands in the civil sector and in export markets.

श्री गुफरान आजम : सभापति महोदय, मैंने उम्मीद की थी कि कैबिनेट मिनिस्टर जवाब देंगे । पता नहीं क्यों नहीं दिया ।

श्री सुब्रह्मण्यम स्वामी : आपको पता है कैबिनेट मिनिस्टर कौन है?

श्री गुफरान आजम : मैं जानना चाहता हूं कि डिफेंस मिनिस्टरी जो भी परचेज करती है क्या वह सभी पब्लिक सेक्टर से करती है या प्राइवेट सेक्टर से भी करती है ? अगर पब्लिक सेक्टर से नहीं खरीदती है तो उसका क्या कारण है ? क्या वह इस नीति में कुछ बदलाव लायेंगे ?

SHRI MALLIKARJUN : Sir, there are about 46 Central public sector undertakings from where the defence requirements are procured. At the same time, there are 12 State public sector undertakings from where the defence requirements are procured. Apart from this from private sector undertakings also, defence requirements are being procured. For example, from VIPRO, we take computers, from Birla Yamaha, we take portable generators and so on.

श्री गुफरान आजम : मंत्री महोदय से मैं जानना चाहता हूं कि टैफको, एन.टी.सी. और सी.आई.टी. ये सब पब्लिक सेक्टर अंडरटेकिंग्ज हैं और सरकार ने इनकी क्षमता बढ़ाने, के लिए काफी खर्चा भी किया, मजदूरी की संख्या भी बढ़ाई, स्टाफ भी बढ़ाया, मशीनरी भी बढ़ाई, ये अंडरटेकिंग्ज कपड़ा, कम्बल और शूज टाइप की चीजें बनाती हैं तो पिछले दो साल में डिफेंस मिनिस्टरी ने इन पब्लिक सेक्टर अंडरटेकिंग्ज से कितना परसेन्ट सामान खरीदा ? अगर नहीं खरीदा तो क्यों नहीं इसका राज क्या है ।

SHRI MALLIKARJUN : Sir, as I have already informed the august House, we do purchase from the public sector undertakings. It all depends on the need and the availability of funds.

श्री गुफरान आजम : मैंने क्या पूछा और जवाब क्या दिया । यह फंड की बात करते हैं । मैं पूछ रहा हूं आप यह सामान खरीदते हैं हर साल । फार एक्जाम्पल मुझे मालूम है

हर साल 16 लाख या 12 लाख के शूज खरीदती हैं । इन्होंने टैफ्को से कितना खरीदा मैं यह जानना चाहता हूं । इसमें फंड की क्या बात आ गई । जैसा मैंने बताया कि प्राइवेट सैक्टर से पब्लिक सेक्टर अंडरटेकिंग्ज का सामान सस्ता होता है अच्छा होता है और वे देने को भी तैयार हैं आपको । फिर आप क्यों नहीं खरीदते हैं ? मैं यह जानना चाहता हूं ।

माननीय सदस्य : कमीशन नहीं है ।

SHRI MALLIKARJUN : Sir, I don't have the correct information about the particular public sector unit and I will furnish it later.

SHRI YASHWANT SINHA : You must protect the House, Sir.

MR. CHAIRMAN : Dr. Subramanian Swamy.

SHRI SUNDER SINGH BHANDARI : Sir, I am on a point of order. The point was not about a specific public sector industry. The question was out of the total purchases how much... *(Interruptions)*...

SHRI V. NARAYANASAMY : This is not a specific industry.

SHRI SUBRAMANIAN SWAMY : Sir, I am on my feet. ...*(Interruption)*... He has called me.

श्री एस. एस. अहलुवालिया : क्वेश्चन अवर में पाइंट आफ आर्डर नहीं हुआ करते।

श्री सुन्दर सिंह भंडारी : आप क्यों जवाब दे रहे हैं, मिनिस्टर को देने दीजिए न ।

SHRI SUBRAMANIAN SWAMY : He has called me. He has not called you. You are a party of disorder. Why are you raising a point of order ?

SHRI SUNDER SINGH BHANDARI : There is no doubt that he has called you, but I have a right to raise a point of order.

SHRI SUBRAMANIAN SWAMY : No, you don't have to raise a ponit of order. ...*(Interruptions)*... Sir, parties of disorder should not raise points of order.

Sir, I would like to know on the question of proper use of public sector whether the general privatisation of public sector units in Defence has been strengthened at any level; if so, what the decision is.

SHRI MALLIKARJUN : Sir, so far as Defence public sector units are concerned, we have eight public sector units and we have not thought of privatising them.

SHRI YASHWANT SINHA : Sir, they have privatised the Defence Minister himself.

SHRI S. JAIPAL REDDY : We would like to know how the Defence Minister has been hijacked. I don't find him here. ...*(Interruptions)*...

MR. CHAIRMAN : Prof. Saurin Bhattacharya. Please ask your question. Ask your question... *(Interruptions)*...Have you any supplementary to raise ?

PROF. SAURIN BHATTACHARYA : Yes, Sir. This is an old issue. It was the Government decision, an old Government's decision, that defence should make purchases from public sector undertakings within the capacity of those organisation, but they are at a standstill, for example, in shoes. Tannery factory, a public sector undertaking in Kanpur, is producing 6 million pairs of shoes but the Defence who purchase much more footware are not patronising that tannery factory; they are making purchases from outside, that is open market, at a higher cost. I request the Minister to kindly explain what the reason for this situation is; why the standing decision of the Government and the proposal of the Secretaries are being ignored and purchases are made in this fashion.

SHRI MALLIKARJUN : Sir, Defence has also got its own production units so far as boots and other things are concerned and after assessing what we are producing to meet the requirement, we opt for it for the rest of it. Regarding Kanpur public sector undertaking, or if there is anything like what the Member is mentioning, it all depends upon our Purchasing Committee which goes into these things and satisfies itself on the various aspects. Meeting the requirement is the most essential factor. Orders are being placed on that basis.

PROF. SAURIN BHATTACHARYA : You should inquire into it and satisfy yourself.

DR. YELAMANCHILI SIVAJI : Sir, is it a fact that there is a stipulation that for the needs of cloth for Defence purchases are to be made only from the National Textile Corporation? It is also a fact that the authorities of the Defence are objecting to the quality of the National Textile Corporation and they are seeking the permission of the Government to go elsewhere for the requirements of Defence ?

SHRI MALLIKARJUN : Sir, so far as the Textile Corporation is concerned, earlier some purchases have been made and through the British India Corporation also certain purchases have been made. If the Purchasing Committee does not opt for it there may be certain reasons behind it.

SHRI KAMAL MORARKA : Sir, this is a very important question. Everybody is well aware that large installed capacities in various units under the Defence Ministry are being used for low-technology items. Yesterday Shrimati Sushma Swaraj was detailing in her speech about the Jabalpur factory that there the number of workers was so many and the productivity was very low. In this era of economic reforms when the Government is having a fresh look at the public sector units, I want to know from the Defence Ministry whether they are undertaking a study of the capacities of the various units to rationalise them, re-orient the production, produce spare parts which we need and which we are importing on a large scale and get out of the low-technology areas if we are making shoes, blankets, etc., which we can easily buy. The spare parts for the various equipment which we are importing, the defence units should start making. I would like to know whether any such re-orientation programme is there in the view of the Government and whether any steps have been taken.

SHRI MALLIKARJUN : Sir, the main obstacle in the optimum utilisation of the installed capacity is that the orders which are being placed with the public sector units and even with the ordnance factories are low. The orders are mainly placed by the Armed Forces. Certain orders are also being placed by civil sectors also. As far as the installed capacity utilisation is concerned, the Defence Ministry is now thinking of diversification and promotion of exports.

श्रीमती सुषमा स्वराज : माननीय सभापति जी, मैं मूल सवाल पूछने से पहले प्रधान मंत्री जी से एक बात जानना चाहूंगी कि रक्षा मंत्री को महाराष्ट्र भेजने के बाद अब वह देश की रक्षा का जिम्मा किसे सौंपने जा रहे हैं? . . . (व्यवधान)

एक माननीय सदस्य : मल्लिकार्जुन जी हैं ।

श्रीमती सुषमा स्वराज : मल्लिकार्जुन जी को एलीवेट करने जा रहे हैं, हमें बहुत खुशी होगी ।

प्रधान मंत्री (श्री पी. वी. नरसिंह राव) : इतने लोग बैठे हुए हैं, चिंता आप अकेली को क्यों हो रही है ।

SHRI SUBRAMANIAN SWAMY : He has gone from Rajya Raksha...(*Interruptions*)...

MAULANA OBAIDULLAH KHAN AZMI : *

MR. CHAIRMAN : This is off the record.

SHRI S. K. T. RAMACHANDRAN : Is this Question Hour or are we having a debate ?

श्रीमती सुषमा स्वराज : सभापति महोदय, मैं मंत्री जी से यह जानना चाहती हूं कि क्या उनकी जानकारी में है कि केन्द्रीय सरकार की जो इकाइयां पब्लिक सेक्टर अंडरटेकिंग्ज, रक्षा आवश्यकता का सामान बनाती हैं वह सामान बाजार भाव से दस गुना ज्यादा महंगा होता है और मैं उदाहरण देकर बताना चाहती हूं कि टैंट बांधने का जो खूंटा बाजार में 7/- रुपए का बिकता है वह जबलपुर गन कैरीज फैक्टरी में 65.00 रुपये का बन रहा है, क्योंकि इस फैक्टरी के ओवर हैड्ज 600 परसेंट हैं । इसी तरह जबलपुर व्हीकल फैक्टरी में दस हजार कामगार हैं और साल की केवल 8 हजार गाड़ियां बन रही

*Not recorded.

हैं, तो मैं रक्षा मंत्री जी से जानना चाहूंगी कि क्या इन बातों की जानकारी उन्हें है ? अगर है, तो इसको सारा सुधार करने के लिए वह क्या कदम उठाने जा रहे हैं ?

SHRI MALLIKARJUN : Sir, the thrust of the Government policy is to see cost-effectiveness and reduction in unnecessary expenditure as the hon. Member has mentioned. We are conscious of the fact that cost-effectiveness should be made in all such production units.

SHRI DIPEN GHOSH : Mr. Chairman, Sir, I want to know from the hon. Minister whether it is a fact that the Jabalpur vehicle factory owned by the Government of India itself had offered trucks at a cheaper rate than that offered by certain private sector companies like TELCO. Yet the concerned authorities of the Defence Ministry have preferred the Private Sector to their own factory, the Jabalpur Vehicle Factory. If so, are orders placed with that factory? And if not, what steps is the Government going to take so that the Jabalpur Vehicle Factory is placed with the order which they are prepared to do at the cost acceptable to the Government ?

SHRI MALLIKARJUN : Certainly, the Government will give maximum importance to acquire from our own ordnance factory...

SHRI DIPEN GHOSH : But the fact is they have got the spare capacity. They have offered it. But the Government is preferring the private sector to its own factory possibly because the Government factory could not offer the kickbacks or commission. (*Interruptions*).

SHRI MALLIKARJUN : Sir, this is...

SHRI DIPEN GHOSH : I stand by my own statement. Let him inquire and come to the House.

SHRI MALLIKARJUN : Sir, if it is his own conviction of this I will take note of it.

Expansion of Indian Navy

*145. SHRI KRISHNA KUMAR BIRLA : Will the Minister of DEFENCE be pleased to state :

(a) what according to the assessment, if any, made by defence analysts is the overall impact on the modernisation and expansion of the Indian Navy with the reduction in the defence budget;

(b) whether Government propose to suitably enhance the naval capabilities considering the regional and global naval trends when the countries are embarking on steady enhancement of their naval striking power;

(c) if so, what is the decision, if any, taken by Government in this regard; and

(d) if the answer to part (b) above be in the negative what are the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI MALLIKARJUN (a) to (d) There has been no reduction in the Defence budget. The modernisation of the Indian Navy, and her force levels, are considered with reference to the Perspective Plan and the Annual Plans drawn up for the purpose, also taking into account the geo-strategic environment, the threat perception, the country maritime interests, the likely tasks that the Navy may be called upon to perform, and the availability of budgetary resources. The navy is being maintained in a state of preparedness, to handle any exigency that may arise.

SHRI KRISHNA KUMAR BIRLA : Sir, I understand, the naval experts feel that India should double the size of its navy in view of the unfortunate collapse of the Soviet Union. Only a strong Navy will be able to accord the nation a legitimate, permissible transborder or external identity and relevance. In spite of India being a poor country from Western standards, India came into global focus owing to the growth of the Indian Navy in mid-1980s. India should aim at a modest expansion and modernization programme of the Indian Navy. Almost all nations surrounding India are embarked on steadily enhancing their naval striking power. The hon. Minister says in his reply, "There has been no reduction in the Defence budget." That means as far as the strength of the Navy is concerned, it is stationary. This, in view of the fact that all surrounding countries are increasing their naval striking power, is